GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3597
ANSWERED ON:23.12.2008
IMPACT OF IMPORTS OF CHEAP GOODS
Rao Shri Kavuru Samba Siva

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether imports of cheap goods is having an adverse impact on the domestic industry;

(b) if so, the details thereof alongwith the quantity of imports of such goods during each of the last three years and the current year;

(c) whether the Government proposes to amend the Foreign Trade Act to impose quantitative restrictions on imports of these items from China and other countries and also to impose high penalties on traders for flouting the law; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JAIRAM RAMESH)

(a) to (d) : India removed all Quantitative Restrictions on imports except those necessitated, inter alia, on grounds of health, security, public morals and environment in the year 2001. However, the Government is monitoring import of certain sensitive items on monthly basis. As per the import data available with the Government for the period April - September, 2008, import of these items increased by 26.8 % compared to the corresponding period of last year.

At present, Central Government is empowered under Section 3(2) of Foreign Trade (Development and Regulation) Act, 1992 to impose restrictions on import of goods into India and also levy safeguard duties under Customs Tariff Act, 1975. A specific proposal to amend Foreign Trade

(Development and Regulation) Act, 1992 to provide for safeguard measures in the form of Quantitative Restrictions (QRs) to address surge in imports is also before the Government.

Further, any domestic concern arising out of imports are addressed by appropriate action under the provisions of the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade, 1994, the Agreement on Safeguards and the Agreement on Subsidies and Countervailing Measures of the WTO.